

Agriculture Energy Investment Plan

Tier 1 - Streamlined Dairy
Sub-Program Guidelines

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Accessibility

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This document is also available in HTML and Word format at www.agriculture.vic.gov.au

1.

Term	Definition
Applicant	means a body corporate, partnership or individual, conducting an Eligible Farm Business in Victoria, which applies to the Department for a grant to implement the recommendations of an On-Farm Energy Assessment.
Department	means the Department of Jobs, Precincts and Regions and includes Agriculture Victoria.
Eligible Farm Business	<p>means a dairy farm business involving the maintaining and milking of dairy cattle for the purpose of selling them or their milk.</p> <p>The Department reserves the right to amend the definition of an Eligible Farm Business without notice and at its discretion.</p>
On-Farm Energy Assessment	means either a Type 1 or Type 2 Energy Assessment funded by the Agriculture Energy Investment Plan – Assessments Program or an equivalent energy assessment that meets the defined Australian standards (AS/NZS 3598.2:2014).
Project	means an activity which is designed to improve energy productivity, manage energy costs, improve reliability or support own-generation capacity for an Eligible Farm Business and the individual items that form the Project are listed in Eligible Items list in these Guidelines.
Recipient	means an Applicant that has successfully applied for and been offered a grant to undertake a Project.

1 INTRODUCTION

1.1 Overview of the Agriculture Energy Investment Plan (AEIP)

The AEIP supports farm businesses to improve energy productivity, manage energy costs, improve reliability or support own-generation capacity.

The AEIP comprises:

- **assessments** – providing On-Farm Energy Assessments to assist farmers in identifying where they may reduce energy consumption.
- **grants** – to support farmers to invest in energy efficient or own-generation technology within existing energy policies.
- **demonstrations** – showing energy efficient or own-generation technology on-farm.
- **skills and education** – linking farmers and businesses to information and education resources.
- **research** – facilitating partnerships to commercialise research for the farming sector.

The objectives of the AEIP is to ensure the sustainability of Victoria's internationally competitive agriculture sector by:

- maximising the number of Eligible Farm Businesses that achieve energy efficiency gains;
- increasing the number of farmers with access to information, through On-Farm Energy Assessments, to make informed decisions about making energy efficiency improvements;
- increasing the number of Victorian farm businesses replacing energy inefficient equipment;
- increasing the number of Victorian farm businesses that have improved their energy productivity; and
- improving the capability of Victorian farm businesses to accelerate growth and adoption of new energy efficient technology.

Applications under the AEIP are open until March 2020 or until funds are exhausted.

1.2 What is supported under the AEIP?

The AEIP helps Victorian farm businesses address energy costs and improve energy productivity through increased awareness of the availability of Type 1 and Type 2 On-Farm Energy Assessments.

The AEIP will also support Victorian farm businesses through grants to replace energy inefficient equipment, install new energy efficiency systems and enable own-generation capacity.

1.3 What Projects will be considered for a Tier 1 - Streamlined Dairy grant?

Dairy farmers who choose to apply for a Tier 1 Streamlined Dairy Grant will not be required to have an On-Farm Energy Assessment. Projects that will be considered for funding under the Tier 1 - Streamlined Dairy sub-program of the AEIP must be on the eligible items listed Section 3.1. The AEIP supports Projects that will deliver on the AEIP's objectives by undertaking activities such as the purchase and installation of capital equipment that improves the energy efficiency and productivity of an Applicant's farming activities.

1.4 Funding available and Project completion

Funding of up to \$50,000 (excluding GST) will be available for Projects under the AEIP. All funding provided under the AEIP must be matched from Applicants, by a minimum cash co-contribution of \$1 for every \$1 funded. Projects must be completed within six (6) months of the execution of a grant agreement. Tier 1 - Streamlined Dairy grants are available until March 2020 or until the available funding is exhausted (whichever occurs first).

Applicants are eligible to apply for up to two (2) Tier 1 Grants, from either the Tier 1 – Streamlined Dairy or the regular Tier 1 grants to a maximum combined value of \$50,000 (excluding GST).

2 ELIGIBILITY

2.1 Applicant eligibility criteria

To be eligible for a grant under the AEIP, Applicants must meet the following criteria:

- a) be a dairy farmer seeking support for items on the Eligible Items list for the Tier 1 – Streamlined Dairy grants;
- b) be a business with an Australian Business Number (ABN);
- c) conduct an Eligible Farm Business located in Victoria;
- d) spend more than \$8,000 per annum (including GST) on electricity, gas, LPG and diesel (excluding transport related energy costs);
- e) be a legal entity;¹
- f) be able to meet the required cash co-contribution (\$1 for every \$1 provided);²
- g) attest to having obtained all relevant regulatory permits and approvals for the Project to commence (where applicable);
- h) meet all industrial relations obligations as an employer in accordance with the National Employment Standards; and
- i) agree to participate in future program evaluation activity.

2.1.2 Trust Structures

- a) A legal entity or an individual acting in its or his/her capacity as a trustee on behalf of a trust can apply for a grant provided that the trustee is entitled to be indemnified under the terms of the trust for any liability it undertakes on behalf of the trust; and
- b) Meet the criteria as set out for Applicants under items a) to i) in 2.1.1 above.

2.1.3 Partnerships

- a) An individual may apply for a grant on behalf of a partnership provided that all members of the partnership remain jointly and severally liable for the completion of the Project; and
- b) Meet the criteria as set out for Applicants under items a) to i) in 2.1.1 above.

2.1.4 Individuals

- a) An individual operating as a sole trader may apply for a grant provided that person meets the criteria as set out for Applicants under items a) to i) in 2.1.1 above.

2.1.5 Multi-site farms

Applicants conducting Eligible Farm Businesses across multiple geographical sites in Victoria and/or under multiple ABNs or through multiple legal entities are eligible to apply for funding. In order to meet the objective of maximizing the number of Eligible Farm Businesses that achieve energy efficiency gains under the AEIP, Applicants will need to demonstrate that each Eligible Farm Business is being conducted as a separate farm business to warrant multiple applications for a grant. The eligibility of Applicants to receive more than one grant in these circumstances will be considered by the Department on a case-by-case basis and the Department's decision will be final.

2.1.6 Group Energy Assessments

Eligible Farm Businesses or groups of Eligible Farm Businesses that have received a group Energy Assessment are eligible to apply for a Tier 1 - Streamlined Dairy grant on an individual basis if they meet the eligibility criteria as set out for Applicants under items a) to i) in 2.1.1.

¹ A legal entity includes an incorporated association or a company.

² Applicants may be required to submit audited financial accounts for the previous two (2) years, plus interim accounts if the financial accounts are over six (6) months old.

2.1.7 The following are not eligible to apply:

- a) farm business engaged in any form of agriculture that is not dairy;
- b) dairy farm businesses that have energy expenses below \$8,000 (including GST);
- c) Individuals
- d) Commonwealth, State and Local Government agency or body;
- e) publicly funded research institutions;
- f) industry associations;
- g) not-for-profit organisations; and
- h) community-based organisations.

If you are unsure about your eligibility or have a question about the application process or the AEIP, please contact the Department at agenergy@ecodev.vic.gov.au.

2.2 Funding conditions

Tier 1 - Streamlined Dairy AEIP grants are capped at a maximum of \$50,000 (excluding GST). Grants will be provided on a “dollar for dollar” cash co-contribution basis of the quoted amount as stated in the application. Recipients must contribute a minimum of 50 per cent of the total cost of the Project. A cash co-contribution requires evidence of a cash payment for a cost that is incurred for activities directly related to the Project supported by the grant. The grant will only be provided for up to a maximum of 50 per cent of eligible and actual expenditure. If the final cost is less than the quoted amount (i.e. in the application) then the grant will be reduced to an amount up to 50 per cent of the final cost.

For example,

- if the total cost of a Project is \$125,000 (excluding GST) the maximum amount of the grant will be \$50,000 (excluding GST) and the remaining \$75,000 (excluding GST) must be paid by the Recipient.
- If the quoted amount in the application is \$70,000 the grant amount will be \$35,000. If the final cost of the project is \$80,000 the grant amount will remain at \$35,000 (ie up to 50 per cent of the quoted amount).

Funds from other State and Commonwealth Government programs and in-kind contributions cannot be included as part of the cash co-contribution.

There is no guarantee that an application will be supported for funding, or that the amount of funding requested will be offered.

The Department reserves the right, in its absolute discretion, to amend the funding conditions without notice.

2.2.1 Duration of Projects

Projects must be completed within six (6) months from the date of the grant agreement. The Department reserves the right to withdraw funding and terminate a grant agreement for a Project which is not completed within the six (6) month period.

2.2.2 Payment of a Grant

Payment of a grant will occur at Project completion. Any payments required for a Project prior to completion and any upfront payments must be covered by the Recipient. Funding will not be provided to cover expenditure incurred prior to execution of a grant agreement.

The Department will not pay the grant until it has received a:

- a) valid tax invoice from the Recipient;
- b) Statutory Declaration which states that the Project has been completed to their satisfaction;
- c) certificate of electrical safety or compliance report (where applicable – as demonstration of compliance to electrical standards, occupational health and safety requirements); and

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- d) final report to the satisfaction of the Department and/or any additional documents, photos, or other evidence as the Department may reasonably require as evidence of Project completion.

The Department may, in its discretion and on a case by case basis, give consideration to paying a grant in (two) instalments provided the:

- a) total amount of the grant exceeds \$30,000 (excluding GST);
- b) Recipient has provided financial accounts for the previous two (2) years, plus interim accounts if the financial accounts are over six (6) months old as part of the application process; and
- c) evidence has been received by the Department that the cash co-contribution by the Recipient has been made in full.

The request for a grant to be paid in instalments must be made at the application stage.

3 PROJECT EXPENDITURE

Project expenditure is to be incurred only after a grant agreement has been executed. Funding will not be provided for retrospective activities. Applicants will need to meet the cost of any ineligible expenditure associated with their Project. Any additional costs incurred for a Project will be the sole responsibility of the Recipient.

3.1 Eligible expenditure

Eligible Project expenditure includes the following activities relating to the proposed Project:

- a) Solar Photovoltaic systems up to 20kW;
- b) Variable speed drives on pumps and/or compressors;
- c) Thermal heat recovery systems;
- d) LED Lighting upgrades;
- e) Improving pre-chilling of milk, i.e. ice bank/plate coolers, heat exchangers and evaporative coolers;
- f) Electronic control valves;
- g) Heat pumps;
- h) Pump replacement (not irrigation related);
- i) Cooling fan replacement;
- j) Milk vat replacement; and
- k) Reasonable installation costs.

Only items on this list will be considered for support through a Tier 1 Streamlined Dairy Grant.

Applications for items not on the list above will need to be made through the normal Tier 1 grants process and will require an On-Farm Energy Assessment.

Preference will be given to items which achieve the greatest energy efficiency and productivity.

Eligible Project expenditure must be:

- a) incurred by the Recipient within six (6) months of execution of the grant agreement;
- b) a direct cost of the Project; and
- c) exclusive of the Goods and Services Tax (GST).

Applicants will be required to provide two quotes for each item requested in the application.

3.2 Ineligible expenditure

The AEIP Tier 1 Sub-Program – Streamlined Dairy does not support expenditure which involves:

- a) Any item that is not listed under eligible expenditure;
- b) Routine maintenance costs;
- c) Internal costs, salaries or resources of the Recipient;
- d) Non-farm business activities on the specific geographical site/parcel of land e.g. Café, Bed and Breakfast.
- e) Non-farm activity e.g. Trucking or other non-farm related transport
- g) Costs associated with applying for government grants and funding programs;
- h) Basic professional services such as ongoing, routine accounting, tax and legal business requirements, licensing, costs associated with export documentation, legal/intellectual property costs, financing fees;
- i) Travel costs;
- j) Any administrative fees or surcharges for administering the expenditures listed above; or
- k) Any other expenditure as determined by the Department that does not meet the AEIP guidelines or objectives.

4 APPLICATION AND ASSESSMENT PROCESS

4.1 Application process

Applicants are required to go to <http://www.business.vic.gov.au/support-for-your-business/grants-and-assistance> and submit an application electronically. The Department will not accept physical (hardcopy) applications.

Documentation required at the application stage includes:

- a) Two itemised quotes for each equipment item.
- b) a copy of energy bills (i.e. gas and electricity) for at least one quarter that most represents at a minimum of 25% of on-farm energy use in the past 12 months prior to the application.
- c) information about energy use, costs and contracts, and
- d) details of energy meters.
- e) For individual Applicants that have received a Group On-Farm Energy Assessment an itemised energy assessment report that relates to the Applicant's equipment requirements.
- f) A copy of any energy assessment, if not undertaken through the AEIP (where available).
- g) Additional information as requested that is specific to selected items.

Applicants may be contacted by the Department to provide additional supporting documentation. The Department reserves the right to request additional information from Applicants on quoted prices to ensure competitive market rates.

4.2 Assessment process

Applications for funding will be considered in order of submission of a complete application to the Department. The Department will endeavor to notify all Applicants on the outcome of their application within four (4) weeks of submitting an application.

Applications will be tested for suitability of the technology solution proposed by the dairy farmer against the farmer's energy usage and existing equipment. Applicants accept the responsibility of equipment suitability in the absence of an On-Farm Energy Assessment.

Applications will be assessed by a Departmental assessment panel. All applications will be assessed against the eligibility criteria, assessment criteria and available funds through an open-round grant process.

Decisions by the Department are final. There is no right of appeal. Upon request feedback can be provided to unsuccessful Applicants.

4.3 Assessment criteria

Projects will be assessed against the following assessment criteria.

Assessment Criteria	Weighting %
1. Will the Project improve the energy efficiency and productivity of the farm business? <ul style="list-style-type: none">• How and to what extent the Project will deliver a reduction in energy consumption and/or increased energy efficiency/savings to the farm business.	50
2. Will the Project improve the competitiveness and sustainability of the farm business? <ul style="list-style-type: none">• How and to what extent the Project will deliver additional benefits to the business, such as productivity improvements or scale of operations.	20

<p>3. Does the Project represent value for money?</p> <ul style="list-style-type: none"> • Which quote is preferred and the rationale for why. • Does the proposed equipment represent a fair market value. • How the Project outcomes justify the grant investment. 	30
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To be competitive, an application must address each assessment criterion and make the best possible case for funding including providing full details of all underlying risks and assumptions.

Recipients will receive a Letter of Offer which outlines funding obligations. This offer remains valid for a period of 14 days from the date of the Letter of Offer.

5 TERMS AND CONDITIONS

The Department reserves the right to make changes to these guidelines as required.

Grant Agreement

Subject to acceptance of an offer by an Applicant, a legally binding grant agreement will be prepared reflecting the Project, proposed outcomes, milestones and conditions of payment.

An Applicant will have 30 days to execute and return the grant agreement to the Department. The Department may withdraw the offer if the grant agreement is not executed and returned within the 30 day time frame.

Post Project Evaluation

All Recipients will be requested to complete a post-Project evaluation demonstrating the energy productivity outcomes achieved. All Recipients must agree to comply with the Department’s performance monitoring and evaluation regime.

The evaluation surveys may be required for up to three years following completion of the Project. This is a non-negotiable requirement for all participants of the AEIP. Non-compliance could affect an Applicant’s future applications to the Department’s funding programs.

Successful outcomes may be used in AEIP evaluation reviews and Department marketing collateral.

Publicity

Recipients may be asked to assist the Department in promotion of the AEIP. This may include involvement in media releases, case studies or promotional events and activities.

The Department may request Recipients to fact check any text and seek approval to use any owned imagery associated with the Project prior to the publication of any such promotional materials.

Recipients must not make any public announcement or issue any press release regarding the receipt of a grant without prior written approval from the Department.

The Department may publicise the benefits accruing to the Recipient and/or the State associated with the provision of a Tier 1 - Streamlined Dairy grant and the State’s support for the Project. The Department may include the name of the Recipient and/or grant amount in any publicity material and in the Department’s annual report.

If requested by the Department, the Recipient must ensure that the State’s support for the Tier 1 - Streamlined Dairy grant is acknowledged on all promotional materials and appropriate signage consistent with the Guidelines for Victorian



Government Advertising and Communications (available at www.dpc.vic.gov.au) or as otherwise specified by the Department.

Confidentiality

Any personal information provided by the Applicant or a third party in an application will be collected by the Department for the purpose of program administration. This information may be provided to other Victorian Government bodies for the purposes of assessing on-farm energy grants in the future.

Data gathered through assessments may be compiled, aggregated and anonymised by the Department for program evaluation and research purposes.

Any personal information collected, held, managed, used, disclosed or transferred will be held in accordance with the provisions of the Privacy and Data Protection Act 2014 (Vic) and other applicable laws.

The Department is committed to protecting the privacy of personal information. The Department's Privacy Policy can be found online at www.economicdevelopment.vic.gov.au. Enquiries about access to information should be directed to the Department's Privacy Unit by phone on (03) 9651 9749 or email privacy@ecodev.vic.gov.au.